



Newport Beach Civic Center

Construction Manager @ Risk Contract
September 14, 2010



What is it?

- An alternative project delivery method that that's the place of traditional construction.
- Construction Manager ,CM, hired on a QBS process, works on a time and materials basis.
- Separate Bid packages are prepared for the various trades (HVAC, Electrical, Plumbing, roofing, etc)
- CM prepares a Guaranteed Maximum Price (GMP) based upon the collective bids and incidental costs.
- City Council accepts the GMP and CM constructs the project. If costs over GMP, CM is responsible. If under GMP, the City shares in the savings.



CM@R Contract with C.W. Driver

Four components:

- Basic Services/General Conditions: All field office and personnel costs to manage the various subcontractors. Paid on a time and materials basis for the entire length of the project.
- GMP: The actual cost of the work. All Bids for various trades and incidental work
- Direct Expenses: Insurance, bonding, additional services
- Construction Management Fee: Markups, overhead, & Profit (3.25%)



Phased GMP

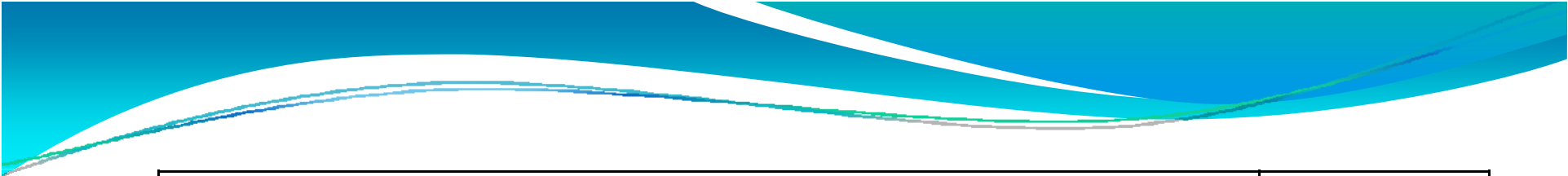
To expedite the project, we are pursuing a phased project. There are three proposed phases. As we move forward, better costs will be known and City Council can elect to include alternatives, add or delete portions of the project :

- Mass Excavation & Shoring Wall Construction
- Design Assist/Build Parking Structure
- City Hall Office building, Library Expansion, North Park including Dog Park, Central Park Wetlands and Public Art.



More about GMPs

- If CW Driver exceeds the GMP, they absorb the overrun.
- The GMP includes a contingency for CW Driver's use. Types of costs in this contingency include missing items of work not covered by the trade contracts or incidental items. Does not include requested changes by the City or unforeseen problems (soil conditions) or problems with the plans. The city will have a separate contingency outside of the GMP.
- Any savings in the project (under GMP) is shared with CW Driver as an incentive. 75% City/ 25% CW Driver
- Construction Management Fee paid only on work completed



Construction Costs to date	Amount
Basic Services (for all phases)	\$ 7,169,255
GMP #1 -Mass Excavation & Shoring Const. (including 8% contingency)	6,726,574
Direct Expenses (GMP #1)	265,412
Construction Management Fee (GMP#1)	456,133
Subtotal	\$7,448,119
City's Contingency GMP #1 (10%)	673,000
GMP #1, Subtotal	\$8,121,119
GMP #2 Parking Structure Design Assist/Build (including 5% cont.)	\$7,057,636
Direct Expenses (GMP#2)	137,757
Construction Management Fee (GMP#2)	231,460
Subtotal	\$7,426,853
City's Contingency GMP #2 (5%)	350,000
GMP#2, Subtotal	\$7,776,853
Project Total to date	\$23,067,227